



*Crown C Supply Company, Inc.
Calculation of Value
of a 77.18% Ownership Interest
as of October 1, 2013*

Prepared By:

ANDERS MINKLER HUBER & HELM LLP
Certified Public Accountants

C000613



October 7, 2016

Mr. Ronald N. Danna
Danna McKittrick, P.C.
7701 Forsyth Blvd., Suite 800
St. Louis, Missouri 63105

Re: Calculation of Value – Crown C Supply Company, Inc.

Dear Mr. Danna:

You have engaged us to conduct a calculation engagement and prepare a calculation report to provide you with a calculated value of a 77.18% ownership interest in Crown C Supply Company, Inc. (the "Company") on a controlling, non-marketable basis as of October 1, 2013 (the "Calculation Date"), for federal estate tax purposes.

The calculated value is considered as a cash or cash equivalent value. The calculated value and our calculation report are to be used only as of the Calculation Date and are not valid as of any other date.

We have performed a calculation engagement and present our calculation report in conformity with the Statement on Standards for Valuation Services No. 1 ("SSVS") of the American Institute of Certified Public Accountants ("AICPA"). SSVS defines a calculation engagement as "An engagement to estimate value wherein the valuation analyst and the client agree on the specific valuation approaches and valuation methods that the valuation analyst will use and the extent of valuation procedures the valuation analyst will perform to estimate the value of a subject interest. A calculation engagement generally does not include all of the valuation procedures required for a valuation engagement. If a valuation engagement had been performed, the results might have been different. The valuation analyst expresses the results of the calculation engagement as a calculated value, which may be either a single amount or a range."

SSVS addresses a calculation report as follows: "This type of report should be used only to communicate the results of a calculation engagement (calculated value); it should not be used to communicate the results of a valuation engagement (conclusion of value)."

This calculation engagement, and resulting calculated value and calculation report, was conducted solely for federal estate tax purposes, and the resulting calculated value and calculation report should not be used for any other purpose or by any other party for any purpose without our express written consent. Specifically, this calculation report should not be used as a fairness opinion, and in fact is not a fairness opinion, regarding any planned or possible sale of the Company.

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The standard of value used in this calculation engagement is fair market value, defined in Treasury Regulations §20.2031-1(b) and §25.2512-1, and restated in Revenue Ruling 59-60, as "the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts." Revenue Ruling 59-60 also defines the willing buyer and seller as hypothetical as follows: "Court decisions frequently state in addition that the hypothetical buyer and seller are assumed to be able, as well as willing, to trade and to be well informed about the property and concerning the market for such property." Furthermore, fair market value assumes that the price is transacted in cash or cash equivalents. Revenue Ruling 59-60, while used in tax valuations, is also used in many non-tax valuations.

Fair market value is also defined in a similar way in the International Glossary of Business Valuation Terms as "the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts."

The premise of value is going concern which means the Company is expected to continue to operate into the future. The liquidation premise of value was considered and rejected as not applicable, as the going-concern value generally results in a higher value for the interest than the liquidation value, whether orderly or fixed.

We have no obligation to update the report or restate our calculated value for information that comes to our attention after the date of the report. However, we reserve the right to recall the report and/or restate our calculated value if such information comes to our attention.

The approaches and methodologies used in this calculation engagement did not comprise an examination or any attest service in accordance with generally accepted accounting principles, the objective of which is an expression of an opinion regarding the fair presentation of financial statements or other financial information, whether historical or prospective, presented in accordance with generally accepted accounting principles or auditing standards. We express no opinion and accept no responsibility for the accuracy and completeness of the financial information (audited, reviewed, compiled, internal, prospective or tax returns), or other data provided to us by others, and we have not verified such information unless specifically stated in this report. We assume that the financial and other information provided to us is accurate and complete, and we have relied upon this information in performing our calculation.

Crown C Supply Company, Inc.

Crown C Supply Company, Inc. was incorporated on December 19, 1980 in the State of Missouri. The Company is engaged in the wholesale and retail sale of roofing and siding materials and supplies. The Company is located in St. Louis, Missouri, with the majority of sales and credit being granted to customers located within the St. Louis metropolitan area.

The Company started out as a supplier of roofing supplies. While the Company is still in the roofing supply business, the Company now supplies and delivers windows, doors and siding materials

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from the biggest and best manufacturers in the country straight to a customer's job site. Although a majority of the Company's sales are generated within the St. Louis metropolitan area, the Company is able to deliver product coast to coast through its "Straight From The Manufacturer" shipping program.

The Company offers a broad range of quality products and excellent service and support. The Company offers the following exterior remodeling products and tools:

- low slope roofing products, including coatings, adhesives, flashings, drains, ventilation, insulation boards, pavers, roof hatches and skylights;
- steep slope roofing products, including shingles, standing seam, corrugated metal, sun tunnels, skylights, underlayment, ventilation and flashing;
- vinyl and fiber cement siding;
- windows and doors;
- decking;
- railings;
- moldings and trims;
- columns;
- fasteners and adhesives, and
- tools.

The Company's headquarters are located at 5130 Manchester Avenue in St. Louis, Missouri. The Company leases its facilities from two related party entities, 5200 Manchester LLC and Connelly, LLC. The Company's facilities include a showroom where customers are able to see samples of products and roofing materials, and compare colors, styles and classes of materials within the same product line. Additionally, the Company's facilities include a 75,000 square foot warehouse which allows the Company to keep inventory on hand, and the ability to hold and store whatever materials a contractor orders for their job.

Description of the Scope of Work Performed and Calculation Procedures

As agreed upon with the client, we utilized the income approach to arrive at the calculated value of the Company. Specifically, we agreed to utilize the income approach – capitalized cash flow method.

In performing our work, we were provided with and have relied upon the following documents:

- Reviewed financial statements for the years ended September 30, 2008 through September 30, 2013 issued by Rubin Brown LLP;
- Reviewed financial statements for the year ended September 30, 2014 issued by Croghan & Croghan P.C.;
- Form 1120S – U.S. Income Tax Return For An S Corporation for the years ended September 30, 2008 through September 30, 2013 prepared by Rubin Brown LLP;
- Form 1120S – U.S. Income Tax Return For An S Corporation for the year ended September 30, 2014 prepared by Croghan & Croghan P.C.;
- Form 706 – United States Estate (And Generation-Skipping Transfer) Tax Return for the Estate of Michael P. Connelly;

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- Summary Appraisal Report of Crown C Supply office/warehouse property located at 5110-5130 Manchester Avenue as of February 6, 2013 prepared by R.A. Buckles & Associates, Inc.;
- Summary Appraisal Report of office/warehouse property located at 5200 Manchester Avenue as of October 1, 2013 prepared by R.A. Buckles & Associates, Inc.;
- Amended and Restated Stock Purchase Agreement dated August 29, 2001, and
- Sale and Purchase Agreement dated November 13, 2013.

We have performed a calculation engagement, as that term is defined in SSVS. The estimate of value that results from a calculation engagement is expressed as a calculated value. In a calculation engagement, the valuation analyst and the client agree on the specific valuation approaches and valuation methods the valuation analyst will use and the extent of valuation procedures the valuation analyst will perform to estimate the value of the subject interest. A calculation engagement does not include all of the procedures required for a valuation engagement, as that term is defined in SSVS. Had a valuation engagement been performed, the results might have been different.

This calculated value is subject to the Statement of Assumptions and Limiting Conditions found in Appendix A and to the Valuation Analyst's Representation found in Appendix B of this calculation report. We have no obligation to update this calculation report or our calculated value for information that comes to our attention after the date of the report.

Income Approach – Capitalized Cash Flow Method

There are two commonly used methods under the income approach: the discounted cash flow method and the capitalized cash flow method. The discounted cash flow method requires projecting an expected economic benefit stream into the future and discounting it back to a present value using a discount rate or required rate of return. This present value discount rate is the cost of capital, that is, the rate of return an investor would require to compensate for the risk associated with an investment in the Company. The capitalized cash flow method determines a value by applying a capitalization rate to economic income for a single period, based on historical earnings and growth.

We utilized the capitalized cash flow method to value the Company due to the fact the Company does not prepare projections. We capitalized the Company's ongoing, sustainable debt free cash flow using an 11.45% capitalization rate, developed under a weighted average cost of capital method (see Exhibit 5). Once we determined the fair market value of the Company's invested capital, we then subtracted the interest bearing debt. Next, we applied a 15% valuation adjustment for lack of marketability. Finally, we added back non-operating assets to arrive at the fair market value of the Company's equity on a controlling, non-marketable basis. We then multiplied by the ownership interest being valued in order to arrive at the fair market value of a 77.18% ownership interest on a controlling, non-marketable basis as of the Calculation Date (see Exhibit 5).

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Calculated Value Conclusion

Based on our calculation as presented in Exhibit 6, which was based on procedures agreed upon as referred to above, and the facts and circumstances as of the Calculation Date, it is our opinion that the calculated value of a 77.18% ownership interest in the Company as of October 1, 2013 on a controlling, non-marketable basis, is:

TWO MILLION NINE HUNDRED EIGHTY TWO THOUSAND DOLLARS

\$2,982,000

Distribution of this calculation report and resulting calculated value is restricted to the client for whom this calculation report was prepared. This report is not to be used with, circulated, quoted or otherwise referred to in whole or in part for any other purpose, or to any other party for any purpose, without our express written consent.

Respectfully submitted,


ANDERS MINKLER HUBER & HELM LLP

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Appendix A

STATEMENT OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

Possession of the calculation report or a copy thereof will not carry with it the right of publication. The calculation report may not be used for any other purpose in whole or in part by anyone except the client for whom the calculation report is prepared without the previous written consent of the valuation analyst. The calculation report should be utilized only in its entirety. Authorized copies of the calculation report will be signed by a representative of Anders. Copies that do not bear said signature will be unauthorized and incomplete and Anders will not bear any responsibility or liability for losses incurred by the Company, the owners, or to other parties as a result of the circulation, publication, reproduction, or other use of this calculation report contrary to the provisions of these assumptions and limiting conditions.

This calculation report was conducted under the following terms and conditions:

1. The calculated value arrived at herein is valid only for the stated purpose as of the Calculation Date and is based upon the stated standard of value. Actual transactions for the subject interest in the marketplace may be conducted at a higher or lower value, depending upon the circumstances prevailing at that time. Anders makes no warranty or guarantee as to what value would be realized in a market transaction.
2. This calculation report and the calculated value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. The calculation report and calculated value may not be used for any other purpose or by any other party for any purpose. Furthermore, the calculation report and calculated value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The calculated value is based on information furnished by the Company and other sources.
3. Financial statements and other related information provided by the Company or its representatives, in the course of this calculation engagement, have been accepted without any verification as fully and correctly reflecting the Company's business conditions and operating results for the respective periods, except as specifically noted herein. Anders reserves the right to make an adjustment to the calculated value herein, which may be required upon consideration of additional or more reliable data that may later come to our attention.
4. The services performed in conjunction with this calculation engagement do not constitute an audit, review or compilation of financial statements in the capacity of certified public accountants under the standards promulgated by the AICPA, nor should it be relied upon to discover errors, irregularities or illegal acts including fraud or defalcations and as a result, should not be misconstrued as such. Were Anders to perform such duties, additional information may have come to our attention, potentially affecting the calculated value stated herein.
5. Public information and industry and statistical information have been obtained from sources Anders believes to be reliable. However, Anders makes no representation as to the accuracy or completeness of such information and has performed no procedures to corroborate the information.

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Appendix A

STATEMENT OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

6. If prospective financial information approved by management has been used in our work, Anders has not audited, reviewed or compiled the prospective financial information and therefore, does not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Anders does not provide assurance on the achievability of any results forecasted or projected by the Company because events and circumstances frequently do not occur as expected. Any differences between actual and forecasted or projected results may be material. Achievement of the forecasted or projected results is dependent on the actions, plans and assumptions of management.
7. The calculated value presented herein is based upon the facts and data obtained during the investigation by the valuation analyst and by those under his direct supervision. Calculated values presented are stated before any taxes relating to the transfer of any ownership interest. Anders assumes no responsibility for changes in market conditions occurring subsequent to the Calculation Date.
8. The calculated value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the Company through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.
9. Anders agrees that we will keep confidential any and all information related to you, including any facts obtained, opinions rendered, methodologies employed, except to the extent we are required to disclose such information by law or by the order of a court of competent jurisdiction.
10. Anders is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this calculation report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. Anders does not conduct or provide environmental assessments and has not performed one for the subject property.
11. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject business due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.
12. Anders is not a law firm. Issues that may have a legal impact are considered from a layperson's perspective using the reasoning expressed or implied within the report. Should such matters be material to the users of this report, proper legal counsel should be obtained. No intention was made to express opinions intended for matters requiring legal or specialized expertise, investigation, or knowledge beyond that customarily employed by valuation analysts.
13. No change of any item in this calculation report shall be made by anyone other than Anders, and we shall have no responsibility for any such unauthorized change.
14. Except as noted, Anders has relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all equipment, real estate,

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Appendix A

STATEMENT OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

investments used in the business, and any other assets or liabilities, except as specifically stated to the contrary in this calculation report. Anders has not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the Company has good title to all assets.

15. Future services regarding this calculation engagement, including, but not limited to testimony or attendance in court, shall not be required of Anders unless previous arrangements have been made in writing.
16. In all matters that may be potentially challenged by a Court or other party, Anders does not take responsibility for the degree of reasonableness of contrary positions that others may choose to take, nor for the costs or fees that may be incurred in the defense of our recommendations against challenges. Anders will, however, retain our supporting workpapers for your matters, and will be available to assist in defending our professional positions taken, at our then current hourly rates, plus actual expenses, and subject to a separate letter of engagement.

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Appendix B

REPRESENTATION/CERTIFICATION OF THE VALUATION ANALYST

The undersigned valuation analyst represents that:

- The valuation analyst has no past, present or contemplated future interest in the subject company. In addition, he has no personal interest or bias with respect to the parties involved.
- Data was obtained from sources believed to be reliable, all facts known to the valuation analyst which have a bearing on the values of the property have been considered, and no facts of importance have been intentionally omitted.
- The valuation analyst's compensation for this report is in no way contingent upon anything other than the delivery of this report.
- To the best of the valuation analyst's knowledge and belief, this report was performed and the conclusion reached was made in accordance with the Code of Professional Conduct and the Statement on Standards for Consulting Services No. 1 of the American Institute of Certified Public Accountants (AICPA) and was prepared in conformity with the Statement on Standards for Valuation Services No. 1 of the AICPA and the Business Valuation Standards of the National Association of Certified Valuation Analysts.
- The statements of facts contained in this report, upon which the analyses, opinion, and conclusions expressed herein are based, are to the best of the valuation analyst's knowledge and belief, true and accurate.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- The valuation analyst declares that he holds himself out to the public as a valuation analyst and performs valuations on a regular basis. The valuation analyst is qualified to make valuations of the type of interest being valued.

ANDERS MINKLER HUBER & HELM LLP



Kevin P. Summers, JD, CPA/ABV/CFF, CVA, CDEA, CEPA
Partner

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Curriculum Vitae

KEVIN P. SUMMERS, JD, CPA/ABV/CFF, CVA, CDFA, CEPA

POSITION:

- Partner – Forensic & Litigation Services Group
Anders Minkler Huber & Helm LLP
800 Market Street, Suite 500
St. Louis, MO 63101
(314) 655-5547
ksummers@anderscpa.com

EDUCATION AND PROFESSIONAL LICENSURE:

- B.S., Accounting, Maryville University, St. Louis, Missouri
- J.D., Saint Louis University, St. Louis, Missouri
- Certified Public Accountant, State of Missouri (CPA)
- Licensed Attorney, State of Missouri
- Accredited in Business Valuation (ABV)
- Certified in Financial Forensics (CFF)
- Certified Valuation Analyst (CVA)
- Certified Divorce Financial Analyst (CDFA)
- Certified Exit Planning Advisor (CEPA)

PROFESSIONAL SOCIETIES AND AFFILIATIONS:

- American Institute of Certified Public Accountants
Member – AICPA Litigation Services Task Force (2011 – 2016)
- Missouri Society of Certified Public Accountants
Co-Chair – Forensic & Valuation Services Committee (2010 – 2012)
Chair – Business Valuation Conference (2009 – 2014)
- National Association of Certified Valuation Analysts
- Institute for Divorce Financial Analysts
- American Bar Association
- The Missouri Bar
- St. Louis County Bar Association

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- Bar Association of Metropolitan St. Louis
- Estate Planning Council of St. Louis
- American Association of Attorney-Certified Public Accountants
President – Missouri Chapter (2014 – 2017)
- Exit Planning Institute
Vice President (Membership) – St. Louis Chapter (2015 – 2016)

AWARDS AND RECOGNITIONS:

- Saint Louis University School of Law – Academic Excellence Award in Estate Planning (Spring 2009)

PRESENTATIONS, SPEECHES & PUBLICATIONS:

- Expense Reimbursement Fraud: The Gateway Fraud, MSCPA 2015 Fraud & Forensic Accounting Conference, MSCPA St. Louis Learning Center, St. Louis, MO
- Getting Started in Forensics: The Divorce Case, AICPA 2014 Forensic & Valuation Services Conference, Hyatt Regency, New Orleans, LA
- Reporting Results: Forensic Accounting Engagements, AICPA 2014 Forensic & Valuation Services Conference, Hyatt Regency, New Orleans, LA
- Valuation of a Medical Practice for Divorce in Missouri: Personal v. Enterprise Goodwill, St. Louis Metropolitan Medicine, December 2011 / January 2012, Volume 33, Number 6
- Making Sense of Lost Profit Calculations, MSCPA 2011 Forensic & Valuation Services Conference, Doubletree Hotel, St. Louis, MO
- What Is Your Practice Worth In Today's ACO Marketplace? A Practice Valuation Will Tell You, St. Louis Metropolitan Medicine, April / May 2011, Volume 33, Number 2 (Co-Author with Jerrie Weith)
- Marketability Discounts: Beyond Restricted Stock Studies, MSCPA 2010 Business Valuation Conference, Embassy Suites Airport, St. Louis, MO
- Do You Have What It Takes: Family Law Practice, MSCPA 2010 Fraud & Forensics Conference, Embassy Suites Airport, St. Louis, MO
- Discounts & Premiums: A Panel Discussion, MSCPA 2009 Business Valuation Conference, Embassy Suites Airport, St. Louis, MO
- Discount Rates Used In Lost Profits Cases: Landmark Cases, MSCPA 2009 Fraud & Forensics Conference, Embassy Suites Airport, St. Louis, MO

EXHIBITS

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EXHIBIT 1

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Crown C Supply Company, Inc.
 Calculation Of Value Of A 7.16% Convertible Interest
 As Of October 1, 2019

Exhibit 7

Historical Balance Sheets

	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13	09/30/14	09/30/15	09/30/16	09/30/17	09/30/18	09/30/19
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$ 535,796	\$ 322,526	\$ 372,145	\$ 745,267	\$ 785,122						
Accounts Receivable	4,029,144	3,585,170	5,765,058	5,692,600	4,421,990						
Inventory	3,130,456	2,550,741	5,519,926	5,750,006	3,292,974						
Other Current Assets											
Prepaid Expenses	97,745	59,263	47,861	62,106	62,709						
Deposits	36,753	36,250	36,250	24,250	7,550						
Prepaid Insurance	34,815	41,254	-	101,173	143,572						
Cash Value of Life Insurance	452,439	395,371	674,034	843,973	851,670						
Total Other Current Assets	603,260	982,138	1,716,145	1,031,262	1,075,561						
Total Current Assets	9,900,569	7,514,615	12,718,614	13,275,315	9,740,086						
Fixed Assets (Net of Depreciation)	220,964	204,254	133,426	536,561	774,853						
Other Assets	-	-	-	-	-						
TOTAL ASSETS	\$ 9,173,533	\$ 7,718,869	\$ 12,852,040	\$ 13,811,876	\$ 10,514,939						
LIABILITIES & SHAREHOLDERS' EQUITY											
Current Liabilities											
Long-Term Debt - Current	\$ 1,500,000	\$ 2,400,000	\$ 3,500,000	\$ 3,800,000	\$ 2,445,524						
Accounts Payable	4,127,146	2,537,659	4,618,640	4,719,699	3,595,160						
Other Current Liabilities	74,144	-	75,000	165,000	100,000						
Accrued Profit Sharing	7,496	27,510	252,531	298,017	430,387						
Payroll & Sales Tax Payable	148,569	50,431	120,969	274,222	147,471						
Accrued Wages	77,009	58,445	87,453	105,432	84,861						
Accrued Expenses	240,000	-	400,000	900,000	66,000						
Accrued Distributions	548,216	166,878	955,940	1,727,677	544,703						
Total Other Current Liabilities	5,170,564	4,864,547	9,324,523	10,256,337	5,846,727						
Total Current Liabilities	11,716,275	12,216,544	17,833,046	19,556,376	14,798,114						
Long-Term Liabilities											
Total Liabilities	11,716,275	12,216,544	17,833,046	19,556,376	14,798,114						
Shareholders' Equity											
Capital Stock	500	500	500	500	500						
Retained Earnings	3,000,805	2,833,800	3,996,320	3,417,344	3,350,955						
Total Shareholders' Equity	3,001,305	2,834,300	3,996,820	3,417,844	3,351,455						
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	\$ 14,717,580	\$ 15,050,844	\$ 21,829,866	\$ 22,974,220	\$ 18,149,569						
Net Working Capital											
% of Revenue	10.5%	17.0%	9.6%	7.6%	9.2%						

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EXHIBIT 2

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Crown C Supply Company, Inc.
 Calculation Of Value Of A 77.16% Ownership Interest
 As Of October 1, 2019

Exhibit 2

Historical Income Statements

	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13		09/30/09	09/30/10	09/30/11	09/30/12	09/30/13
Revenues	\$ 25,477,211	\$ 22,105,000	\$ 29,074,900	\$ 37,806,346	\$ 52,060,962		100.0%	100.0%	100.0%	100.0%	100.0%
Less: Cost of Goods Sold	21,184,103	17,516,750	23,545,124	30,448,284	28,313,081		80.6%	80.6%	81.0%	80.4%	81.7%
Gross Profit	5,293,108	4,588,250	5,529,776	7,358,062	13,747,881		20.4%	19.2%	19.0%	19.6%	18.3%
Operating Expenses											
Compensation of Officers	440,022	540,472	582,882	940,000	587,308		1.7%	0.6%	2.0%	2.0%	1.8%
Salaries and Wages	2,162,054	2,023,887	2,116,827	2,486,335	2,379,309		8.2%	9.1%	7.3%	6.9%	7.2%
Repairs and Maintenance	34,230	18,756	48,055	119,238	44,028		0.1%	0.1%	0.2%	0.3%	0.1%
Bad Debts	244,858	174,898	191,757	350,501	167,411		0.9%	0.8%	0.6%	0.9%	0.5%
Rents	355,424	383,489	368,424	368,424	368,424		1.4%	1.7%	1.3%	1.6%	1.1%
Taxes and Licenses	205,679	273,930	295,753	323,931	315,712		1.1%	1.2%	1.0%	1.0%	1.0%
Interest Expense	58,828	55,971	86,553	75,300	94,842		0.3%	0.3%	0.3%	0.2%	0.2%
Depreciation	84,577	75,574	70,825	123,005	294,066		0.3%	0.3%	0.2%	0.3%	0.8%
Advertising	35,735	53,238	50,233	52,758	39,758		0.1%	0.3%	0.2%	0.1%	0.1%
Provision/Profit-Sharing	58,072	11,873	89,892	177,278	113,754		0.3%	0.1%	0.3%	0.3%	0.3%
Other Operating Expenses											
Travel, Meals & Entertainment	119,348	113,889	77,143	140,478	124,093		0.5%	0.5%	0.3%	0.4%	0.4%
Collection Expenses	51,541	61,851	58,149	61,011	128,240		0.2%	0.3%	0.2%	0.2%	0.3%
Computer Support	8,390	10,577	28,691	35,695	25,312		0.0%	0.0%	0.1%	0.1%	0.1%
Dues & Subscriptions	54,754	63,564	50,345	60,452	75,810		0.2%	0.3%	0.2%	0.2%	0.2%
Education Expense	17,831	7,070	15,078	3,488	16,879		0.1%	0.0%	0.1%	0.0%	0.1%
Equipment Rental	51,583	47,795	50,267	78,806	62,297		0.2%	0.2%	0.2%	0.2%	0.2%
Freight Out	4,423	2,055	1,921	2,890	2,329		0.0%	0.0%	0.0%	0.0%	0.0%
Gas & Oil	136,124	154,307	197,117	228,874	220,052		0.5%	0.7%	0.7%	0.6%	0.7%
Insurance	314,813	182,454	221,553	242,006	304,205		1.2%	0.8%	0.8%	0.8%	0.8%
Miscellaneous	101,805	149,465	120,055	112,245	109,018		0.4%	0.7%	0.4%	0.3%	0.3%
Office Supplies	37,882	38,441	33,431	34,320	29,638		0.1%	0.2%	0.1%	0.1%	0.1%
Outside Services	62,271	53,762	48,332	71,202	57,597		0.2%	0.2%	0.2%	0.2%	0.3%
Professional Fees	26,179	38,131	44,151	52,408	65,171		0.1%	0.2%	0.2%	0.1%	0.2%
Promotion Expense	5,251	15,244	37,538	65,366	21,037		0.0%	0.1%	0.1%	0.2%	0.1%
Property Damage	19,547	33,954	36,093	30,325	30,796		0.1%	0.2%	0.1%	0.1%	0.1%
Telephone	21,412	15,588	22,784	24,847	25,506		0.1%	0.1%	0.1%	0.1%	0.1%
Utilities	27,530	20,552	20,565	335,037	300,107		0.8%	0.9%	0.7%	0.9%	0.8%
Vehicle Expense							0.0%	0.0%	0.0%	0.0%	0.0%
Crime Charges	372	874	-	-	185		0.0%	0.0%	0.0%	0.0%	0.0%
Personal Expense							0.0%	0.0%	0.0%	0.0%	0.0%
Total Other Operating Expenses	1,316,293	1,250,503	1,323,803	1,625,809	1,600,118		5.0%	5.7%	4.5%	4.3%	5.1%

C000629

Crown C Supply Company, Inc.
 Calculation Of Value Of A 77.18% Ownership Interest
 As Of October 1, 2013

Exhibit 2

Historical Income Statements

	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13
Total Operating Expenses	5,123,176	4,485,291	5,184,744	5,852,039	8,035,360	18.3%	20.3%	17.8%	17.8%	18.3%
Income From Operations	187,933	(217,018)	345,035	754,413	12,541	0.6%	-1.0%	1.2%	2.4%	0.0%
Other Income / (Expense)										
Gain(Loss) on Disposition of Equipment	1,900	1,900	-	-	22,500	0.6%	0.6%	0.0%	0.0%	0.1%
Freight Charges and Other Miscellaneous Income	284,838	155,418	378,231	558,755	304,628	1.1%	0.9%	1.3%	1.5%	0.9%
Interest Income	-	-	-	-	6,888	0.0%	0.0%	0.0%	0.0%	0.0%
Charitable Contributions	(6,435)	(13,317)	413,655	(11,661)	(6,930)	0.0%	-0.1%	0.0%	0.0%	0.0%
Political Contributions	(300)	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Fuel Tax Credit	(1,023)	(800)	(981)	(3,243)	-	-0.0%	0.0%	0.0%	0.0%	0.0%
Fines and Penalties	(655)	(250)	(125)	(645)	(650)	0.0%	0.0%	0.0%	0.0%	0.0%
Corporate Owned Life Insurance Premiums	(173,490)	(134,720)	(186,070)	(145,375)	(125,550)	-0.6%	-0.6%	-0.6%	-0.4%	-0.4%
Total Other Income	107,725	48,231	177,400	395,651	201,364	0.4%	0.3%	0.6%	1.0%	0.4%
Net Income	\$ 375,656	\$ (158,787)	\$ 532,435	\$ 1,181,064	\$ 213,305	1.6%	-0.8%	1.8%	2.1%	0.8%

C000630

Crown C Supply Company, Inc.
 Calculation Of Value Of A 77.18% Ownership Interest
 As Of October 1, 2013

Exhibit 2

Historical Income Statements

	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13	5-Year Avg
EBITDA						
Net Income	\$ 275,565	\$ (156,787)	\$ 522,433	\$ 1,181,094	\$ 213,805	\$ 404,785
Add:						
Interest Expense	64,822	55,871	88,553	75,300	64,842	70,150
Income Taxes	-	-	-	-	-	-
Depreciation & Amortization Expense	84,577	75,574	70,835	133,005	284,066	127,533
EBITDA	\$ 425,064	\$ (37,242)	\$ 680,215	\$ 1,379,369	\$ 562,533	\$ 602,788

	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13	4-Yr CAGR 2009 - 2013
Growth Rates						
Revenue		-16.28%	31.17%	30.31%	-13.33%	5.63%
Gross Profit		-13.71%	30.17%	34.49%	-18.08%	3.40%
Income From Operations		-22.93%	-258.90%	127.24%	98.40%	-47.22%
Net Income		-481.23%	-408.52%	125.07%	-81.91%	-6.18%
EBITDA		-108.68%	-1525.48%	102.78%	-59.22%	7.01%

	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13	5-Year Avg
Supplemental Cash Flow Data						
Capital Expenditures	\$ 22,787	\$ 57,814	\$ -	\$ 526,487	\$ 521,848	\$ 225,619
Depreciation & Amortization	\$ 64,577	\$ 75,674	\$ 70,835	\$ 123,005	\$ 284,066	\$ 127,533
Distributions	\$ 240,000	\$ -	\$ -	\$ 420,000	\$ 980,000	\$ 328,000
Compensation of Officers (Per Form 1120S)	\$ 440,022	\$ 140,472	\$ 582,692	\$ 940,000	\$ 587,395	\$ 538,099

C000631

EXHIBIT 3

C000632

Crown C Supply Company, Inc.
 Calculation Of Value Of A 77.18% Ownership Interest
 As Of October 1, 2013

Exhibit 3

Ratio Analysis

	Crown C Supply Company, Inc.				Industry					
	09/30/05	09/30/10	09/30/11	09/30/12	09/30/13	2009	2010	2011	2012	2013
Assets										
Cash & Equivalents	5.9%	4.2%	3.0%	5.4%	2.5%	9.4%	8.8%	6.7%	6.9%	7.9%
Trade Receivables (Net)	50.5%	48.6%	48.9%	41.4%	42.6%	32.5%	34.9%	35.5%	34.1%	32.5%
Inventory	34.1%	37.8%	43.2%	47.8%	37.9%	33.1%	33.8%	34.1%	34.3%	37.3%
All Other Current	7.1%	9.0%	5.8%	7.5%	10.2%	2.8%	3.0%	2.3%	3.3%	2.8%
Total Current	57.6%	57.4%	58.9%	96.1%	92.5%	77.8%	80.5%	78.6%	78.5%	80.2%
Fixed Assets (Net)	2.4%	2.6%	1.1%	3.9%	7.4%	11.5%	11.4%	10.6%	11.7%	12.0%
Intangibles (Net)	0.0%	0.0%	0.0%	0.0%	0.0%	5.4%	3.6%	5.6%	5.0%	4.7%
All Other Non-Current	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	4.5%	5.2%	4.7%	3.1%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities & Net Worth										
Notes Payable - Short Term	0.0%	0.0%	0.0%	0.0%	0.0%	10.4%	12.7%	9.9%	13.5%	14.9%
Cur. Mat. - L.T.D.	18.4%	28.5%	29.2%	27.8%	23.3%	2.2%	3.2%	0.9%	1.7%	3.1%
Trade Payables	44.9%	39.6%	39.1%	34.3%	34.2%	21.8%	20.4%	22.8%	22.2%	23.0%
Income Taxes Payable	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.4%	0.0%
All Other Current	6.0%	2.2%	7.8%	12.6%	5.1%	8.2%	7.3%	9.2%	8.3%	7.1%
Total Current	67.3%	53.3%	76.1%	74.6%	63.5%	42.7%	42.8%	42.9%	45.1%	47.1%
Long-Term Debt	0.0%	0.0%	0.0%	2.1%	4.6%	9.5%	7.7%	10.5%	9.3%	5.4%
Deferred Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.3%	0.3%	0.5%
All Other Non-Current	0.0%	0.0%	0.0%	0.0%	0.0%	5.4%	2.2%	3.1%	2.9%	3.6%
Total Liabilities	67.3%	53.3%	76.1%	76.6%	68.1%	57.8%	52.6%	57.0%	58.6%	56.6%
Net Worth	32.7%	36.7%	23.9%	23.4%	31.5%	42.2%	47.4%	43.0%	41.4%	43.4%
Total Liabilities & Net Worth	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Income Statement										
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	80.0%	80.8%	81.0%	80.4%	81.7%	74.4%	75.9%	76.1%	76.8%	77.3%
Gross Profit	20.0%	19.2%	19.0%	19.6%	18.3%	25.6%	24.1%	23.9%	23.2%	22.7%
Operating Expenses	19.3%	20.1%	17.6%	17.6%	15.3%	23.2%	21.9%	20.2%	19.8%	20.3%
Operating Profit	0.6%	-1.0%	1.3%	2.1%	0.0%	2.4%	2.2%	3.7%	3.4%	2.4%
All Other Income/(Expenses) (Net)	0.4%	0.2%	0.6%	1.0%	0.6%	0.3%	0.0%	0.1%	-0.1%	0.0%
Profit Before Taxes	1.0%	-0.8%	1.8%	3.1%	0.6%	2.7%	2.2%	3.8%	3.3%	2.4%

C000633

Exhibit 3

Crown C Supply Company, Inc.

Calculation Of Value Of A 77.18% Ownership Interest

As Of October 1, 2013

Ratio Analysis

	Crown C Supply Company, Inc.				Industry			
	09/30/09	09/30/10	09/30/11	09/30/12	09/30/12	2011	2012	2013
Liquidity Ratios								
Current	1.6	1.5	1.3	1.3	1.5	2.1	1.8	1.5
Quick	0.8	0.2	0.7	0.6	0.7	1.0	1.0	0.9
Sales / Receivables	5.7	0.2	5.0	6.7	7.5	9.0	7.0	8.2
Days' Receivables	63.9	59.2	72.4	54.6	49.0	38.0	49.0	41.0
Cost of Sales / Inventory	0.6	6.2	4.4	5.3	6.8	5.9	6.1	6.2
Days' Inventory	53.9	60.2	82.5	55.0	54.1	53.0	50.0	62.0
Cost of Sales / Payables	5.1	7.1	4.9	5.5	7.5	9.8	12.0	11.4
Days' Payables	71.0	51.3	74.7	56.6	49.8	37.0	33.0	36.0
Sales / Working Capital	5.5	8.4	10.4	12.8	10.8	9.3	7.8	10.5
Coverage Ratios								
EBIT / Interest	5.0	(2.0)	7.0	16.7	4.3	5.2	6.1	12.1
Net Profit + Dep't. Dep. Amort. / Cur. Mat. Liab.	0.2	(0.0)	0.2	0.3	0.2	4.8	5.8	4.3
Leverage Ratios								
Fixed / Worth	0.1	0.1	0.0	0.2	0.2	0.3	0.3	0.3
Debt / Worth	2.1	1.7	3.2	3.3	2.1	1.6	1.4	1.7
Operating Ratios								
% Profit Before Taxes / Tangible Net Worth	8.2%	-6.0%	17.8%	36.7%	5.4%	13.6%	17.4%	25.8%
% Profit Before Taxes / Total Assets	3.0%	-2.3%	4.2%	8.6%	2.6%	3.7%	4.3%	5.4%
Sales / Net Fixed Assets	118.8	108.5	217.9	70.6	42.5	34.6	40.8	29.8
Sales / Total Assets	2.2	2.9	2.4	2.8	3.1	2.8	3.2	2.8
Expense To Sales Ratios								
% Dep't. Dep. Amort. / Sales	0.32%	0.34%	0.24%	0.32%	0.36%	0.70%	0.60%	0.70%
% Officers' Directors' Owners' Comp. / Sales	1.66%	0.63%	0.30%	2.48%	1.76%	1.50%	1.03%	3.30%

Note 1 - Industry data as reported from RMA (2010-2014) for NAICS Code 42380 Wholesale - Roofing, Siding, and Insulation Material Merchant Wholesalers (Sales \$25 Million & Over (\$10-\$25 Million For FYE 09/30/10))

Note 2 - Ratio was not calculated if industry data is blank.

C000634

EXHIBIT 4

C000635

Exhibit 4

Crown C Supply Company, Inc.

Calculation Of Value Of A 77.18% Ownership Interest

As Of October 1, 2013

Adjusted EBIT

	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13
Net Income	\$ 275,659	\$ (168,787)	\$ 522,438	\$ 1,181,064	\$ 213,605
Add: Interest Expense	68,828	55,871	86,953	75,300	84,842
EBIT	344,487	(112,916)	609,391	1,256,364	278,447
Add: Normalizing Adjustments					
(1) Charitable Contributions	6,435	13,317	13,655	11,951	6,530
(2) Political Contributions	300	-	-	-	-
(3) Gain/(Loss) on Disposition of Equipment	(1,900)	(1,900)	-	-	(22,500)
(4) Interest Income	-	-	-	-	(6,666)
(5) Corporate Owned Life Insurance Premiums	170,490	104,720	186,070	145,975	125,550
(6) Fines and Penalties	555	250	125	945	650
(7) Excess Rent	151,130	151,195	151,130	151,130	151,130
Adjusted EBIT	\$ 671,497	\$ 184,666	\$ 960,371	\$ 1,566,365	\$ 533,141

Footnotes:

- (1) - Normalizing adjustment - remove charitable contributions
- (2) - Normalizing adjustment - remove political contributions
- (3) - Normalizing adjustment - remove gain/loss on disposition of equipment
- (4) - Normalizing adjustment - remove interest income
- (5) - Normalizing adjustment - remove insurance premiums on corporate owned life insurance
- (6) - Normalizing adjustment - remove fines and penalties
- (7) - Normalizing adjustment - remove rent in excess of \$217,294 per year

C000636

EXHIBIT 5

C000637

Exhibit 5

Crown C Supply Company, Inc.
 Calculation Of Value Of A 77.18% Ownership Interest
 As Of October 1, 2013

WACC Worksheet

Cost of Debt:	
Borrowing Rate ⁽¹⁾	3.10%
Multiply By: 1 - Tax Rate (Assumed 0%)	x 100.0%
Cost of Debt	<u>3.10%</u>

Cost of Equity: ⁽²⁾	
Risk Free Rate	3.43%
Equity Risk Premium	6.70%
Size Premium	6.09%
Specific Company Risk Premium	+ 5.00%
Cost of Equity	<u>22.18%</u>

Weighted Average Cost of Capital	
	Rate Weight ⁽³⁾
Cost of Debt	3.10% 43.1%
Cost of Equity	22.18% 56.9%
WACC	+ 13.95%
Less: Sustainable Growth Rate	- 2.50%
Capitalization Rate	<u>11.45%</u>

Footnotes:

- (1) Company's weighted-average borrowing rate as of October 1, 2013
 (2) Risk free rate as of October 1, 2013; Equity risk premium and size premium obtained from 2013 Ibbotson S&P Valuation Yearbook
 (3) Weightings calculated using actual fair market value of debt and equity (see Exhibit 6)

C000638

EXHIBIT 6

EXHIBIT 3

C000639

Exhibit B

Crown C Supply Company, Inc.
 Calculation Of Value Of A 77.18% Ownership Interest
 As Of October 1, 2013

Income Approach - Capitalized Cash Flow Method

	09/30/09	09/30/10	09/30/11	09/30/12	09/30/13
Adjusted EBIT	\$ 671,497	\$ 184,666	\$ 960,371	\$ 1,566,365	\$ 533,141
Weight	1	1	1	1	1
Weighted Adjusted EBIT	\$ 671,497	\$ 184,666	\$ 960,371	\$ 1,566,365	\$ 533,141

Sum Of Weighted Adjusted EBIT
 Divide By: Sum Of Weights

Sum "A" \$ 3,910,040

Weighted Average Adjusted EBIT
 Multiply By: 1 Plus Sustainable Growth Rate

789,208
 102.50%

Subtotal
 Less: Fed & State Income Taxes (Assumed 6%)

802,788
 802,788

Subtotal
 Cash Flow Adjustments

802,788

Add: 5 Year Average Depreciation Expense
 Less: Capital Expenditures (Assumed Capital Expenditures Equals Depreciation Expense Going Forward)
 Less: Increase In Net Working Capital Working Capital At September 30, 2013 x Sustainable Growth Rate

127,633
 (127,633)
 (75,484)

Original, Sustainable Debt Free Cash Flow
 Divide By: Capitalization Rate (See Exhibit E)

725,304
 11.45%

Value Of Invested Capital As Of October 1, 2013
 Less: Fair Market Value Of Debt As Of October 1, 2013

8,343,266
 2,829,359

Subtotal
 Less: Valuation Adjustment For Lack Of Marketability At 15%

3,413,907
 512,085

Subtotal
 Add: Cash Value Of Life Insurance As Of October 1, 2013 (Thomas Connolly)

2,501,821
 458,083

Add: Life Insurance Proceeds Received By Company (Marshall Connolly)

503,815

Fair Market Value Of Equity On A Controlling, Non-Marketable Basis As Of October 1, 2013
 Multiply By: Ownership Interest Being Valued

3,563,819
 77.18%

Fair Market Value Of A 77.18% Ownership Interest On A Controlling, Non-Marketable Basis As Of October 1, 2013

\$ 2,862,096

Fair Market Value Of A 77.18% Ownership Interest On A Controlling, Non-Marketable Basis As Of October 1, 2013 (Rounded)

\$ 2,387,502

C000640